

Decision 18-07-031 July 26, 2018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Atos Public Safety, LLC for a certificate of public convenience and necessity to provide resold and limited facilities-based competitive local exchange service within the service territories of Pacific Bell Telephone Company, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California, Inc.; and resold and limited facilities-based interexchange services on a statewide basis.

Application 18-05-022

DECISION GRANTING ATOS PUBLIC SAFETY LLC, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE COMPETITIVE LIMITED FACILITIES-BASED AND RESOLD LOCAL EXCHANGE SERVICE AND INTEREXCHANGE SERVICE ON A STATEWIDE BASIS

Summary

Pursuant to Public Utilities Code Section 1001, we grant Atos Public Safety, LLC, a Certificate of Public Convenience and Necessity to provide competitive facilities-based and resold local exchange and interexchange telecommunications services in California subject to the terms and conditions set forth in the Ordering Paragraphs.

This proceeding is closed.

1. Background

On May 23, 2018, Atos Public Safety, LLC (Atos), a Delaware corporation, filed Application (A.) 18-05-022, an application for a Certificate of Public Convenience and Necessity (CPCN) to provide competitive limited facilities-based and resold local exchange telecommunications services within California, in the service territories of Pacific Bell Telephone Company, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California and resold and limited facilities based interexchange services on a statewide basis.

Notice of the application appeared on the Commission's daily calendar on May 29, 2018. No protests or responses to the application were filed. A prehearing conference (PHC) was held on June 13, 2018. The only attendees at the PHC were representatives of Atos. The Scoping Memo and Ruling (Scoping Memo) was issued on July 2, 2018.

Atos proposes to provide competitive limited facilities-based and intrastate resold local exchange telecommunications services. Atos intends to offer 911 emergency services (E-911) to government and quasi-government Public Safety Answering Points (PSAPs) and may also provide other local exchange telecommunications services and interexchange telecommunications services including, but not limited to, business resold and limited facilities-based local, interexchange, bundled interexchange, and wholesale or carrier-to-carrier Next Generation 911 services, including bundles of data, voice and/or wireless services in support of Next Generation 911 service. Atos will not provide residential telecommunications services.

Atos principal place of business is located at 2500 Westchester Avenue, Purchase, NY 10577. All rulings of the assigned Commissioner and Administrative Law Judge are affirmed herein.

2. Jurisdiction

Public Utilities Code (Pub. Util. Code) § 216(a) defines the term “Public Utility” to include a “telephone corporation,” which in turn is defined in Pub. Util. Code § 234(a) as “every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state.”

All services will be routed over facilities owned by other certified carriers. Atos proposes to provide services throughout California and does not contemplate any construction or extension of facilities in connection with the instant application, other than equipment to be installed within existing building or data centers.

Atos is a telephone corporation and a public utility subject to our jurisdiction.

3. Limited Facilities-Based CPCN

Atos’ request for a competitive limited facilities based CPCN does not preclude it from filing an application at a later date to pursue a full facilities based CPCN. Atos must not begin construction of facilities beyond those authorized by this decision until further approval is granted.

4. California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and Rule 2.4 of the Commission’s Rules of Practice and Procedure, the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to our approval in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since Atos states that it does not intend

to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, Atos must file for additional authority, and submit to any necessary CEQA review.

5. Financial Qualifications

To be granted a CPCN, an applicant seeking authority to provide competitive limited facilities-based and resold local exchange services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.¹ An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers (LEC) and/or interexchange carriers in order to provide the proposed service.² Atos is a member of the Atos Companies, whose global operations are headed by Atos SE, a French public company. Atos demonstrated that it possesses a minimum of \$100,000 that is reasonably liquid and available, therefore, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this

¹ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in Decision (D).95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

² The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying LECs and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

requirement.³ Atos' financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

6. Technical Qualifications

To be granted a CPCN for authority to provide competitive local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁴ Atos supplied biographical information on its management in Exhibit 1 to its application that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In its application, Atos verified that no one associated with or employed by Atos as an affiliate, officer, director, partner, or owner of more than ten percent of Atos has: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, *et seq.*, §§ 17200, *et seq.*, or §§ 17500, *et seq.*, of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to

³ Atos met this requirement by submitting a letter of guarantee from its parent company.

⁴ D.95-12-056 at Appendix C, Rule 4.A.

disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) been, or is being investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.⁵ For the above reasons, we find that Atos is in compliance with the requirements of D.95-12-056.

7. Tariffs

Commission staff reviewed Atos' draft tariffs for compliance with Commission rules and regulations. The deficiencies are noted in Attachment A to this decision. In its compliance tariff filing, Atos shall correct these deficiencies as a condition of our approval of its application.

8. Map of Service Territory

To be granted a CPCN for authority to provide competitive local exchange service, an applicant must provide a map of the service territories it proposes to serve.⁶ In its application, Atos provided a map of the location of its proposed service territory, in compliance with this requirement.

9. Rule 3.1(i) Statement

Rule 3.1(i) sets forth the requirement that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding General Order (GO) 104-A, Section 2. Atos states that it is not aware of any reportable matters

⁵ These certifications are required by D.13-05-035, Ordering Paragraph 14.

⁶ D.95-12-056 at Appendix C, Rule 4.E.

pursuant to GO 104-A, Section 2. Atos, therefore, has nothing to report under this rule. On a going forward basis, though, Atos must file all reports required of a public utility under Commission jurisdiction.

10. Expected Customer Base

Atos provided its estimated customer base for the first and fifth years of operation in Section XVI of its application. Therefore, Atos has complied with this requirement.

11. Request for Treatment as a Non-dominant Carrier

Atos requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security and § 851 concerning the encumbrance and transfer of utility property. The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Atos' request for non-dominant interexchange carrier status, provided that it follows all rules detailed in the above referenced decisions.⁷

12. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. We feel satisfied that Atos will meet the Commission's minimum safety goals and expectations of CLECs because: (1) Atos has taken steps to meet the financial requirements as

⁷ While the Commission has granted exemption from §§ 816 - 830 to other applicants, exemption from §§ 851 - 854 has not been granted previously and is not granted here.

set forth in this decision for a facilities-based CLEC, and (2) Atos is a public utility that is required pursuant to Pub. Util. Code § 451 to “... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

13. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange carrier. Accordingly, we grant Atos a CPCN to provide competitive limited facilities-based and resold local exchange telecommunications service in the service territory of Pac Bell Telephone, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California and resold and limited facilities based interexchange services on a statewide basis as set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to Atos and corresponding obligations. Atos receives authority to operate in the prescribed service territory, and this authority enables Atos, pursuant to Section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. 251), to interconnect with telecommunications carriers.⁸ This authority also enables Atos to obtain access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, Atos is obligated to comply with all applicable Public Utilities Codes and

⁸ The California Public Utilities Code uses the term “telephone corporation.” Its counterpart in federal law is a “telecommunications carrier.”

Commission Rules, GOs, and decisions applicable to telephone corporation providing approved services. The applicable statutes, rules, GOs, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Atos is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in Appendix B of this decision, to comply with CEQA, and to adhere to Pub. Util. Code § 451 which states that every public utility "...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in § 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

Atos must obtain a performance bond of at least \$25,000 in accordance with D.13-05-035. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its CPCN, Atos must submit a Tier 1 advice letter to the Communications Division, containing a copy of the license holder's executed performance bond, and subsequently submit a Tier 1 advice letter annually, but not later than March 31 of each subsequent year, with a copy of the executed bond.

Atos must not allow its performance bond to lapse during any period of its operation. Pursuant to D.13-05-035, the Commission may revoke a CPCN if Atos is more than 120 days late in providing the Communications Division a copy of its executed performance bond and has not been granted an extension of time by the Director of the Communications Division.

The corporate identification number assigned to Atos, U7346C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

14. Categorization and Need for Hearings

In Resolution ALJ 176-3417 dated May 31, 2018, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were necessary. No protests were received. Since no protests were filed, it was determined that hearings were not necessary. This change to the preliminary determination was made in the Scoping Memo, issued on July 2, 2018, and is affirmed herein.

15. Waiver of Comments

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to § 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

16. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Gerald F. Kelly is the assigned ALJ in this proceeding.

Findings of Fact

1. Atos is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).
2. Atos will not construct any facilities other than equipment to be installed in existing buildings or structures.
3. Atos has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses and to cover deposits that may be required.

4. Atos' management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.

5. No one associated with or employed by Atos as an affiliate, officer, director, partner, agent, or owner of more than 10 percent of Atos has: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, *et seq.*, §§ 17200, *et seq.*, or §§ 17500, *et seq.*, of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) been, or is being investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

6. Atos provided a map of the location of its proposed service territory.

7. Atos has no information to report under Rule 3.1(i), which requires that a utility filing an application under Pub. Util. Code § 1001 provide a statement regarding compliance with GO 104-A, Section 2.

8. Atos provided an estimate of its customer base for the first and fifth year of operation.

9. Except for the deficiencies identified in Attachment A to this decision, Atos' draft tariffs comply with the Commission's requirements.

Conclusions of Law

1. Atos should be granted a CPCN to provide competitive limited facilities-based and resold local exchange telecommunications services within the service territories of Pac Bell Telephone Company, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California and resold and limited facilities-based interexchange services on a statewide basis, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. Atos' initial tariff filing should correct the tariff deficiencies shown in Attachment A to this decision.

3. Atos, once granted a CPCN, should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

4. The corporate identification number assigned to Atos, U7346C, should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

5. Atos should be granted non dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Atos Public Safety, LLC to provide competitive limited facilities-based and resold competitive local exchange telecommunications services and resold and limited facilities-based interexchange services in the State of California, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to Atos Public Safety, LLC, U7346C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

3. Atos Public Safety LLC's initial tariff filing shall correct the tariff deficiencies shown in Attachment A to this decision.

4. Atos Public Safety LLC must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this decision. Written acceptance filed in this docket does not reopen the proceeding.

5. Atos Public Safety, LLC may not offer competitive local exchange services until tariffs are filed with and authorized by this Commission, in accordance with General Order 96-B and as corrected for deficiencies set forth in Attachment A.

6. The certificate granted by this decision will expire if not exercised within 12 months of the effective date of this decision.

7. Atos Public Safety, LLC must submit to the Communications Division through and advice letter a tariff within 12 months of the effective date of this decision, or its certificate will be cancelled.

8. Atos Public Safety, LLC must notify the Director of the Communications Division in writing at cdcompliance@cpuc.ca.gov of the date that local exchange

service is first rendered to the public, no later than five days after service first begins.

9. Atos Public Safety, LLC must not construct any facilities other than equipment installed in existing buildings or structures.

10. Atos Public Safety, LLC must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Atos Public Safety, LLC must submit a Tier 1 advice letter to the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier 1 advice letter annually, but not later than March 31, with a copy of the executed bond.

11. Atos Public Safety, LLC must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a Certificate of Public Convenience and Necessity if a carrier is more than 120 days late in providing the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Director of Communications Division.

12. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision, Atos Public Safety, LLC is subject to the Consumer Protection Rules contained in General Order (GO) 168, and all applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.

13. Atos Public Safety, LLC must pay the public purpose surcharges specified in Attachment B, and the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

14. Atos Public Safety, LLC must pay an annual minimum user fee of \$100 or 0.23 percent of gross intrastate revenue, whichever is greater. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

15. Prior to initiating service, Atos Public Safety, LLC must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

16. Prior to initiating service, Atos Public Safety, LLC must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact person(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

17. Atos Public Safety, LLC must submit an affiliate transaction report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

18. Atos Public Safety, LLC must submit an annual report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

19. Application 18-05-022 is closed.

This order is effective today.

Dated July 26, 2018, at Sacramento, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners

ATTACHMENT A

List of deficiencies in the tariff filed by Atos Public Safety, LLC (U-7346-C) in A.18-05-022 to be corrected in its tariff compliance filing.

1. General Order 96-B Section 8.4 requires that the tariff follow specific formatting requirements. Revise the tariff's header and footer to comply with requirements in General Order 96-B Section 8.4.
2. General Order 96-B Section 8.5.1 requires that the tariff's title page include the company's U#. Revise the tariff to reflect U-7346-C.
3. General Order 96-B Section 8.5.3 requires that the tariff include a preliminary statement and explanation of symbols. Add (P) to the tariff's preliminary statement and explanation of symbols to signify material subject to change under a pending application or advice letter.
4. General Order 96-B Section 8.5.7 requires that each tariff rule has its own number and separate sheet number. Revise tariff so that all rules have their own sheet number.
5. General Order 96-B Section 8.5.7 requires that the tariff contain information regarding services and promotional offerings. Revise the tariff to include information regarding how to get information on services and promotional offerings. Also include information regarding the company's office hours, phone number, and email address.
6. General Order 96-B Section 8.5.7 requires that the tariff contain information regarding facilities on customers' premises. Revise tariff to indicate that unless additional persons are authorized, only utility employees can make service connections. Also include language in compliance with General Order 96-B Section 8.5.7 regarding the right to access on customer premises.
7. D.95-07-054 Appendix B Rule 2 requires that the tariff contain information regarding initiation of service. Revise the tariff to indicate that during the initial contact all applicants for residential service must be given information regarding the Universal Lifeline program and its availability.
8. D.95-07-054 Appendix B Rule 4 requires that the tariff contain information regarding credit establishment. Revise the tariff to include language compliant with D.95-07-054 Appendix B Rule 4.C.
9. D.95-07-054 Appendix B Rule 7 requires that the tariff contain information regarding pro-rating bills. Revise the tariff to indicate that all nonrecurring and usage charges incurred during the billing period shall be billed in addition to the prorated amounts.
10. D.95-07-054 Appendix B Rule 13 requires that the tariff include language regarding the liability of the company. Revise the tariff to include language compliant with D.95-07-054 Appendix B Rule 13.

11. D.95-07-054 Appendix B Rule 15 requires the tariff include language regarding blocking access to 900 and 976 information services. Revise the tariff to indicate that this blocking service shall be made available free of charge to residential customers, although the company may impose a charge if the customer asks for deactivation of blocking.
12. D.96-10-066 Appendix B. Items 4.B.10 and 11 require the tariff include language regarding directory listings and white page directories. Revise the tariff to indicate that there is a free provision of one directory listing per year as provided for in D.96-02-072.
13. General Order 153 Appendix A item 12 requires that the tariff indicate that a free white page telephone directory is a service element of California Lifeline. Revise the tariff to include language compliant with General Order 153 Appendix A Item 12.
14. General Order 153 Section 3.3 requires that the tariff include language regarding Universal Lifeline Telephone Service. Revise the tariff to include language compliant with General Order 153 Section 3.3.
15. D. 95-07-054 Appendix A Section E.7 requires that the tariff include language regarding Universal Lifeline Telephone Service. Revise the tariff to include language compliant with D. 95-07-054 Appendix A Section E.7.
16. Public Utilities Code Section 876 requires that the tariff include language regarding Universal Lifeline Telephone Service. Revise the tariff to include language compliant with Public Utilities Code Section 876.
17. Resolution T-16901 requires that the tariff include language regarding surcharges. Revise the tariff to include the current surcharges as stated on the CPUC's website.
18. D.02-08-067 Ordering Paragraph 1 and Attachment A require that the tariff include language regarding Demarcation Points. Revise the tariff to include language regarding the relocation of the Minimum Point of Entry and/or the Local Loop Demarcation Point consistent with D.02-08-067 Attachment A.

(END OF ATTACHMENT A)

ATTACHMENT B

REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS

1. Applicant must file, in this docket with reference to this decision number, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months of the date of this decision.

3. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00 10 028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The Universal Lifeline Telephone Service Trust
Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices
Fund (Pub. Util. Code § 2881; D.98 12 073);
- c. The California High Cost Fund A (Pub. Util. Code § 739.3;
D.96 10 066, at 3 4, App. B, Rule 1.C);
- d. The California High Cost Fund B (D.96 10 066, at 191, App.
B, Rule 6.F.; D.07 12 054);
- e. The California Advanced Services Fund (D.07 12 054);
- f. The California Teleconnect Fund (D.96 10 066, at 88, App.
B,
Rule 8.G).
- g. The User Fee provided in Pub. Util. Code §§ 431 435. The
minimum annual User Fee is \$100, as set forth in
D.13-05-035.

Note: These fees change periodically. In compliance with Resolution T 16901, December 2, 2004, Applicant must check

the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end user bills until further revised. Current and historical surcharge rates can be found at <http://www.cpuc.ca.gov/General.aspx?id=1124>.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/General.aspx?id=1010> . To request a user ID and password for TUFFS online filing and for questions, please e mail Telco_surcharges@cpuc.ca.gov.
- Carriers must submit and pay the PUC User Fee (see above item 3g) upon receiving the User Fee statement sent by the Commission. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703 2470 for questions regarding User Fee reporting and payment.

4. If Applicant is a competitive local exchange carrier (CLC), the effectiveness of its future tariffs is subject to the requirements of General Order 96 B and the Telecommunications Industry Rules (D.07 09 019).

5. If Applicant is a non dominant interexchange carrier (NDIEC), the effectiveness of its future NDIEC tariffs is subject to the requirement of General Order 96 B and the Telecommunications Industry Rules (D.07 09 019).

6. Tariff submissions must reflect all fees and surcharges to which Applicant is subject, as reflected in #3 above.

7. Applicant must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a

corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Applicant must submit a Tier-1 advice letter to the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

8. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Director of the Communications Division.

9. Applicants providing local exchange service must include a service area map as part of their initial tariff.

10. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

11. Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/> communications. This information must be updated if the name or telephone number changes, or at least annually.

12. Applicant must notify the Director of the Communications Division in writing at cdcompliance@cpuc.ca.gov of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

13. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

14. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

15. Applicant must submit an annual report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with GO 104 A, on a calendar year basis with the information contained in Attachment C to this decision.

16. Applicant must submit an affiliate transaction report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with D.93 02 019, on a calendar year basis using the form contained in Attachment D.

17. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

18. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing at cdcompliance@cpuc.ca.gov of its compliance.

19. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #3 above, and has not received written permission from the Communications Division to file or remit late, the

Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

20. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure

21. Applicant is exempt from Pub. Util. Code §§ 816 830.

22. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

23. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

24. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

(END OF ATTACHMENT B)

ATTACHMENT C
ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be submitted to the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA

94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to submit this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).
If incorporated, specify:
 - a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31st of the calendar year for which information is submitted, for California operations only.

For answers to any questions concerning this report, call (415) 703-2883.

(END OF ATTACHMENT C)

ATTACHMENT D

CALENDAR YEAR AFFILIATE TRANSACTION REPORT

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be submitted to the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102 3298, no later than May 1st of the year following the calendar year for which the annual report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.

- Form of organization (e.g., corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (e.g., controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership)
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (e.g., a subsidiary that in

turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s Annual Affiliate Transaction Report and verified in accordance with Section I F of Decision 93 02 019.

6. Utilities that do not have affiliated entities must submit, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

(END OF ATTACHMENT D)